



Estes Park • Fort Collins • Longmont • Loveland

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, October 29, 2020

### ATTENDANCE

#### Board members via Zoom Webinar

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell<sup>1</sup> and Ross Cunniff

Representing Longmont: David Hornbacher and Mayor Brian Bagley

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

#### Platte River staff via Zoom Webinar

Jason Frisbie (General Manager/CEO)

Sarah Leonard (General Counsel)

Dave Smalley (Chief Financial Officer and Deputy GM)

Andy Butcher (Chief Operating Officer)

Alyssa Clemens Roberts (Chief Strategy Officer)

Angela Walsh (Executive Assistant/Board Secretary)

Shelley Nywall (Director of Finance)

Jason Harris (Controller)

Paul Davis (Energy Solutions Manager)

Kaitlyn McCarty (Executive Assistant – Finance and IT)

Jennifer Hammitt (Senior Counsel)

#### Guests via Zoom Webinar

Jodie Cates (BKD)

Anna Thigpen (BKD)

Tim McCollough (City of Fort Collins)

Eric Brown (PFM)

Matthew Hogan (Sherman and Howard)

### CALL TO ORDER

Chair Troxell called the meeting to order at 9:01 a.m. A quorum of board members was present via roll call, with all attending virtually except for Chair Troxell. The meeting, having been duly convened, proceeded with the business on the agenda. Chair Troxell announced that the Platte River staff continues to keep the board, staff and public safe by hosting a virtual meeting following CDC guideline.

Sarah Leonard, general counsel, introduced the new Senior Counsel, Jennifer Hammitt.

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<sup>1</sup> Attended in person.

## **ACTION ITEMS**

### **(1) Consent agenda**

- a. Approval of the regular meeting minutes of Sept. 24, 2020**
- b. Approval of the board work session minutes of Sept. 24, 2020**
- c. Approval of the accounting policies – GASB 62 (Resolution 09-20)**

Director Bagley moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 8-0 via roll call vote.

## **PUBLIC COMMENT**

Before the public comment began, Alyssa Clemens Roberts, chief strategy officer, provided a clarification regarding the DER strategy committee survey, which had a glitch within the survey when selecting the stakeholder type. She noted that once the error was found, an email was sent to those who participated in the survey providing an opportunity to answer the questions that were inadvertently skipped. Director Hornbacher thanked staff for their quick response. Director Cunniff asked what questions were not provided during the glitch. Ms. Clemens Roberts responded that the questions were 'how familiar you are with DERs' and 'how interested you are in the follow list.'

Chair Troxell opened up the public comment section by reading instructions noting that Platte River allocated one hour on the agenda to accommodate each speaker equitably. Numerous comments were provided to the board online and by email regarding the integrated resource plan (IRP).

## **BOARD ACTION ITEMS**

### **(2) 2020 BKD audit plan and engagement letter (presenter: Dave Smalley)**

Dave Smalley, chief financial officer and deputy general manager, introduced Jodie Cates and Anna Thigpen with BKD and outlined the materials provided in the board packet. He mentioned the five year contractual agreement with BKD is coming up for renewal and staff will bring a proposal in the spring for consideration.

Jodie Cates, BKD, discussed the engagement letter, noting a decrease in total fees for this year with the combining of the pension plan under GASB 84, which reduces administrative requirements.

Anna Thigpen, BKD, covered the pre-audit letter details and said that the audit work will begin in November with the audit team working remotely. Final field work will conclude in February and BKD will present any findings to the board at the April board meeting.

No questions or comments were received from the board.

#### **a. Approval of engagement letter**

Director Bergsten moved to authorize the execution of the 2020 BKD audit plan and engagement letter as presented. Director Bernosky seconded, and the motion carried 8-0 via roll call vote.

**(3) 2020 Integrated Resource Plan**

**(presenter: Jason Frisbie)**

Director Marsh proposed to postpone the IRP approval until two months prior to the due date for filing with IRP with Western Area Power Administration (WAPA) in 2021.

Jason Frisbie, general manager and chief executive officer, outlined the materials provided within the board packet and thanked the board for the continued engagement and support throughout the process. He also thanked the staff at Platte River for all the work put into the IRP. Mr. Frisbie recommended board approval of resolution 10-20; specifically the IRP in its entirety to enable Platte River to submit the report to WAPA and to select Portfolio 2 (P2) for staff to use as a baseline for planning, budgetary and rate making purposes moving forward.

Director Bagley moved to approve Resolution 10-20: the 2020 Integrated Resource Plan as presented. Director Bergsten seconded.

During discussion, Director Bernosky supported staffs' recommendation for approval of the IRP and P2. Director Cunniff thanked the staff for working on the resolution, the work put into the IRP and the community input, also stating that he will be supporting the resolution and P2 but noted that he supports continued evaluation, updated modeling and starting the next IRP work immediately. Director Koenig thanked Platte River staff for clarifying details within P2, reiterated that use of RICE as a failsafe and will support the resolution and P2. Director Marsh reminded the board of its commitment in the Resource Diversification Policy and the 100% renewable energy goal and will not support the resolution and P2. Director Hornbacher commented on looking forward to the next stepping stone for continued progress towards the 2030 goal and stated that, by supporting P2, the board does not move away from the goal of 100% non-carbon by 2030. He elaborated on the actions through the DER strategy committee and future modeling that will move Platte River forward. Director Bergsten commented on the board's and Platte River staffs' continued commitment to reaching the goal of 100% non-carbon by 2030. Director Bagley reiterated that P2 includes a contingency plan by including RICE units and it does not mean the board and staff is not committed to reaching the goal. Chair Troxell commented on the IRP reflects Platte River's existing and potential future possibilities in technologies and direction and will be supporting the resolution and P2 is a step towards reaching the 2030 goal. Director Cunniff asked if the Chair would support a request to staff to include interim goals. Chair Troxell allowed Director Cunniff to include the request into the motion on the table. Director Cunniff moved to amend the current motion to ask for Platte River staff to bring back interim goals for carbon reduction before starting the next IRP process. There was no second, so the motion to amend failed. Chair Troxell asked Mr. Frisbie if staff could pick that up as a task. Mr. Frisbie said he would discuss with staff and bring it back to the board for discussion.

Discussion among the board ensued regarding the motions on the table. The main motion carried 7-1 via roll call vote with Director Marsh opposing.

**(4) 2021 Rate tariff schedules**

**(presenter: Shelley Nywall)**

Shelley Nywall, director of finance, outlined the changes made to the 2021 rate tariff schedules since the September board meeting. Ms. Nywall noted that rate evaluation is a continuous process and once Platte River enters the market it may require rate structure adjustments. Staff recommended adoption of the 2021 rate tariff schedules and discussed the documents provided in the board packet.

No questions or comments were received from the board.

Director Bergsten moved to approve Resolution 11-20: 2021 rate tariff schedules as presented. Director Hornbacher seconded, and the motion carried 8-0 via roll call vote.

**(5) Debt financing authorization (presenter: Dave Smalley)**

Mr. Smalley presented the information provided in the memorandum on page 201 of the board packet outlining the preliminary timeframe for the transaction. Mr. Smalley introduced Matthew Hogan, Sherman and Howard, bond council, and Eric Brown, Platte River's financial advisor, and recognized Platte River staff Julie Depperman, director of treasury, for leading the debt financing process. Mr. Smalley mentioned the schedule is preliminary, recognizing the potential for volatility in financial markets following the presidential election. Platte River has the flexibility to postpone if necessary. Staff requests board approval of the documents authorizing Platte River management to proceed with the debt issuance subject to the parameters described within the bond resolution.

Mr. Hogan provided an overview of the documents provided related to the debt financing issuance.

**a. Twelfth Supplement Resolution 12-20**

Director Bernosky moved to approve Resolution 12-20: The Twelfth Supplemental Power Bond Resolution as presented. Director Bagley seconded. Director Hornbacher thanked the staff for moving forward to save about \$5 million in future interest costs and pointed out that Platte River is able to do this because the business has been managed effectively, maintaining a high bond rating. Chair Troxell thanked the staff for the work. The motion carried 8-0 via roll call vote.

**10-minute break: 10:29-10:41**

**MANAGEMENT PRESENTATIONS**

**(6) DER strategy committee update (presenter: Tim McCollough, City of Fort Collins)**

Tim McCollough, Co-Chair for the DER strategy committee, presented the structure of the Distributed Energy Resources (DER) strategy committee, the committee's motivation, goals and vision, current work and accomplishments, guiding principles, community engagement and next steps.

Director Hornbacher commented on working with Mr. McCollough and the team of motivated, forward thinking, talented individuals from the four owner communities working with the Smart Electric Power Alliance. He added the DER strategy is an essential step in achieving the goals of the Resource Diversification Policy.

Director Bernosky noted that Loveland Light and Power staff Bill Crowell and Tracy Hewson participate in the DER strategy committee on behalf of the City of Loveland and Director Bergsten added that Sarah Clark with the Town of Estes Park has been participating on behalf of Estes Park.

Chair Troxell thanked the members who have participated in the DER strategy committee and commented on the work that has been done to date and the work ahead in integrating the system as a whole. Chair Troxell asked what the next steps are after the 2<sup>nd</sup> quarter of 2021 report. Ms. Clemens Roberts responded the committee's next steps after alignment will be

creating programs and structures to promote activity engaging “prosumers” within the communities. Ms. Clemens Roberts thanked Paul Davis, energy solutions manager, for his committed work supporting the committee even though he is not a committee member. Chair Troxell discussed the generation and transmission work needed to connect the distribution to enable system integration. Director Hornbacher echoed compliments for Mr. Davis.

**(7) 2021 proposed strategic budget – public hearing (presenter: Jason Harris)**

Jason Harris, controller, outlined the changes since the September board work session and how the changes are reflected in the 2021 proposed strategic budget.

Chair Troxell stated the 2021 proposed strategic budget for Platte River had been delivered to the board of directors in accordance with applicable law. Legal notices have been published announcing that the 2021 proposed strategic budget was made available to the public for inspection and that the public hearing will be held today, October 29, for the board to receive public comment on the proposed strategic budget before final adoption by the end of the year.

Chair Troxell declared the public hearing on the 2021 proposed strategic budget for Platte River Power Authority open.

Susan McFaddin, Fort Collins resident, commented on NOx emissions controls.

Chair Troxell asked if there were any additional comments or questions from the board regarding the proposed budget. Director Cunniff requested staff provide available options for NOx reduction. Mr. Frisbie responded staff will work to put information together for the February board meeting.

The Chair closed the public hearing.

**MONTHLY INFORMATIONAL REPORTS**

**(8) Legal, environmental and compliance report (presenter: Sarah Leonard)**

Sarah Leonard, general counsel, noted two items outlined on page 379 of the board packet providing an update to litigation against Platte River’s previous benefits provider and a new filing the Southwest Power Pool (SPP) made with the with the Federal Energy Regulatory Commission. Platte River filed a protest to the new SPP proposal. Director Bergsten asked if there was a timeframe around the SPP filing with WAPA and Tri-State. Ms. Leonard responded that the SPP has asked the Federal Energy Regulatory Commission to issue an order by Dec. 1, 2020. Discussion ensued among directors and staff about the filing process.

**(9) September operating report (presenter: Andy Butcher)**

Andy Butcher, chief operating officer, pointed out the solar generation reflecting negative numbers was due to a delay in the new solar project but noted the test energy had started in the month of October. Mr. Butcher also noted the purchase volume number being above budget due to economy energy available from the joint dispatch utilities.

**(10) September financial report**

**(presenter: Dave Smalley)**

Mr. Smalley commented on continued favorable results for the year. No questions were received from the board.

**(11) General management report**

**(presenter: Jason Frisbie)**

Mr. Frisbie highlighted the following items; the bottom ash impoundment closure budget contingency, economic development checks, the headquarters campus award, and the solar energy results reflected in the operations report. He asked Ms. Clemens Roberts to speak to the press release following the approval of the IRP. Ms. Clemens Roberts discussed sending out the press release after the board meeting and a video project for wide distribution to highlight the results of the 2020 IRP, information about Platte River and future direction towards reaching the Resource Diversification Policy goals.

**Roundtable and strategic discussion topics**

Board members shared current events and activities within their communities.

**ADJOURNMENT**

With no further business, the meeting adjourned at 11:37 a.m. The next regular board meeting is scheduled for Thursday, Dec. 10, at 9:00 a.m. either virtually or at the Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 10 day of December, 2020.

  
Secretary

